

Media Relations Office Washington, D.C. Media Contact: 202.622.4000

www.irs.gov/newsroom Public Contact: 800.829.1040

IRS e-file: It's Safe; It's Easy; It's Time

## Videos:

E-File Director's Message: English | Spanish

Free File and Fillable Forms: English | Spanish | ASL

Ask Your Tax Preparer to e-File: <u>English</u> First Time Filing a Tax Return?: <u>English</u>

E-File and Direct Deposit: <u>English</u> | <u>Spanish</u> | <u>ASL</u> For these and other videos: <u>YouTube/IRSVideos</u>

Audio:

Audio File for Podcast: English | Spanish

IR-2010-4, Jan. 15, 2010

WASHINGTON — IRS e-file, the popular electronic tax return delivery service used by two-thirds of the nation's taxpayers, opens for business January 15 and marks 20 years of safely and securely transmitting nearly 800 million individual federal tax returns.

The Internal Revenue Service debuted e-file nationally in 1990, delivering 4.2 million tax returns. Last year, IRS e-file delivered 95 million tax returns, 66 percent of all returns filed.

"Electronic filing is more and more popular every year, and most taxpayers now e-file. IRS e-file means faster refunds. It means the option to file now and pay later if you owe additional tax. It means peace of mind knowing the IRS received the return because we send an acknowledgement. Those are the reasons this has been a popular service," said Doug Shulman, IRS Commissioner. "IRS e-file is safe, it's easy and everyone should try it."

Last year, more than 49 million taxpayers missed out on the e-file benefits. The IRS urges taxpayers, especially those people already using tax software, to take the next step and e-file their return or ask their preparer to e-file their return. The IRS urges tax preparers who electronically file some of their clients' tax returns to consider filing all tax returns through e-file.

The IRS is working on faster acknowledgements of accepted or rejected returns. Last year, taxpayers received an acknowledgement within 48 hours that the IRS had accepted or rejected their return. Paper filers do not receive any acknowledgement. Also, if the IRS rejects an e-filed return, it will provide more specific explanations of the errors that caused the rejection. This will enable taxpayers to make corrections and quickly resubmit their returns.

IRS e-file offers the fastest, safest way for people to receive their tax refunds. By using e-file and direct deposit, taxpayers can get their refunds in as few as 10 days. Taxpayers even can opt to have their refund deposited into two or three financial accounts or purchase a U.S. Savings Bond.

For those who owe additional tax, e-file is still the best option. People can file now and pay later, as long as the payment is received by April 15. Taxpayers can set the date for an automatic withdrawal from their financial accounts or they can pay by credit card. People also can e-file and pay by check by simply attaching the payment to a voucher that is mailed to the IRS.

Other e-file benefits include a reduced error rate (1 percent compared to nearly 20 percent on a paper return), which means a decreased likelihood of hearing from the IRS. Also, federal tax returns are delivered to the IRS through a highly secure, encrypted transmission system. Just like paper returns, e-filed returns remain confidential.

There are three ways to use e-file: through tax preparers, through most tax preparation software or through IRS Free File. The IRS does not charge for e-file. Many tax preparers and software products also offer free e-filing with their services.

As people become more comfortable using computers and the Internet for financial transactions, the IRS has seen a huge growth in the number of people who are preparing their own tax returns with the help of software. For people seeking free electronic options, IRS Free File offers something for almost everyone through two formats.

Traditional Free File provides free tax preparation software and free electronic filing to individuals or families who earn less than \$57,000. Traditional Free File is a public-private partnership in which approximately 20 tax software manufacturers make their tax preparation software and e-filing available for free.

Everyone can use Free File Fillable Forms. This service, now in its second year, provides free online tax forms that can be completed and filed electronically. These are electronic versions of IRS paper forms. This program is ideal for people who are comfortable preparing their own returns with little assistance.

People must access Free File through the IRS Web site at <a href="www.IRS.gov">www.IRS.gov</a> and click on Free File or <a href="www.IRS.gov/freefile">www.IRS.gov/freefile</a>. People can read more about Free File at <a href="www.freefile.IRS.gov">www.freefile.IRS.gov</a>.

People looking for a tax preparer who files electronically and for more information on efile can review <u>IRS e-file for Individuals</u>. Taxpayers also can locate an e-file authorized tax professional nearest to them by doing a zip code search.